

LAW OFFICES

STRANG, FLETCHER, CARRIGER, WALKER, HODGE & SMITH, PLLC

CARLOS C SMITH
WILLIAM C CARRIGER
RICHARD T HUDSON
FREDERICK L HITCHCOCK
EWING STRANG
LARRY L CASH *
CHRISTINE MABE SCOTT *
J ROBIN ROGERS # *
G MICHAEL LUHOWIAK
JAMES L CATANZARO, JR +
GREGORY D WILLETT
MARK W SMITH *
TIMOTHY H NICHOLS *
STEPHEN D BARHAM

OF COUNSEL
F THORNTON STRANG
ROBERT KIRK WALKER

400 KRYSTAL BUILDING
ONE UNION SQUARE
CHATTANOOGA, TENNESSEE 37402-2514
TELEPHONE 423-265-2000
FACSIMILE 423-756-5861

S BARTOW STRANG
1982-1984
REC'D TN
REGULATORY AUTHORITY
JOHN S FLETCHER
1979-1984

JOHN S CARRIGER
1902-1965
'39 JAN 19 PM 6 19
OFFICE OF THE
EXECUTIVE SECRETARY
JOHN S FLETCHER, JR
1911-1974
ALBERT L HODGE
1909-1994

January 18, 1999

* ALSO LICENSED IN GEORGIA
ALSO LICENSED IN ALABAMA
+ ALSO LICENSED IN ARIZONA

Mr. K. David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

Re: Application of the Electric Power Board of Chattanooga
for a Certificate of Public Convenience and Necessity
to Provide Intrastate Telecommunications Services —
Docket No. 97-07488

Dear David:

We are enclosing an original and thirteen copies of the
Electric Power Board's Amendment to Restated Application.
Also enclosed are original and thirteen copies of the
Supplemental Testimony of Harold E. DePriest, Robert W.
Nyswaner, and Ronald N. Fugatt.

We have also enclosed an additional copy of each of the
pleadings, and would appreciate your returning stamped
copies to us in the enclosed envelope.

Sincerely yours,



William C. Carriger
For the Firm

WCC:cbm
192032
Enclosures
cc : Parties of Record

**BEFORE THE
TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

IN RE:

| | | |
|-----------------------------|---|---------------------|
| APPLICATION OF ELECTRIC |) | |
| POWER BOARD OF CHATTANOOGA |) | |
| FOR A CERTIFICATE OF PUBLIC |) | Docket No. 97-07488 |
| CONVENIENCE AND NECESSITY |) | |
| TO PROVIDE INTRASTATE |) | |
| TELECOMMUNICATIONS SERVICES |) | |

AMENDMENT TO RESTATED APPLICATION

The Electric Power Board of Chattanooga ("EPB" or "Applicant"), on September 4, 1998, filed its Restated Application for a Certificate of Public Convenience and Necessity to provide intrastate telecommunications services (the "Application"). The Applicant submits this amendment to its Restated Application to apprise the Tennessee Regulatory Authority of recent events that require modifications to the Application.

Applicant has received from Globe Telecommunications, Inc. ("Globe") notice dated January 6, 1999, that Globe was exercising its option to cancel the Fiber Optics Network Development Agreement dated September 1, 1998, by and between the EPB and Globe (the "Globe Agreement") for failure of the Applicant to obtain its Certificate of Convenience and Necessity prior to the end of 1998. After discussions between EPB and Globe, on Monday, January 11, 1999, Globe agreed to rescind the notice but reserved the right to further terminate on or before January 31, 1999. On January 15, 1999, Globe exercised this right to terminate the Globe Agreement.

Accordingly, EPB is formally withdrawing the Globe Agreement and gives notice that it is not relying upon the Globe Agreement for any part of its Application.

Instead, EPB has retained the services of Robert W. Nyswaner, who formerly was the Chief Financial Officer of Globe. A synopsis of Mr. Nyswaner's experience and background in telecommunications is found in his Direct Testimony dated September 3, 1998, in support of the Application. Mr. Nyswaner will be the Vice President-Telecommunications in charge of the Telecommunications Division of the EPB. Mr. Nyswaner's expertise in management of telephone companies will supplement the existing management expertise of the EPB. Mr. Nyswaner's experience in starting up competitive local exchange carriers will complement the existing technical expertise of the EPB.

With these changes, the Applicant continues to possess sufficient managerial, financial and technical abilities to provide the applied-for services.

WHEREFORE, Applicant prays that:


1. The Tennessee Regulatory Authority grant Applicant a Certificate of Public Convenience and Necessity to provide telecommunications services in Hamilton, Bledsoe, Bradley, Marion, Rhea and Sequatchie Counties in the State of Tennessee, to the extent permitted by law; and

2. The Tennessee Regulatory Authority grant Applicant such other, further and general relief as it might be entitled to under the premises.


DATED this 15th day of January, 1999.

Respectfully submitted,

ELECTRIC POWER BOARD OF CHATTANOOGA

By: 
Harold E. DePriest
President and Chief Executive
Officer
P.O. Box 182255
Chattanooga, Tennessee 37422-7255

STRANG, FLETCHER, CARRIGER,
WALKER, HODGE & SMITH, PLLC

By: 
Carlos C. Smith
William C. Carriger
Mark W. Smith
400 Krystal Building
One Union Square
Chattanooga, Tennessee 37402
Attorneys for Petitioner

VERIFICATION

State of Tennessee:
County of Hamilton:

I am authorized to represent the Electric Power Board of Chattanooga and to make this verification on its behalf. The statements in the foregoing Amendment to Restated Application are true and correct to the best of my knowledge, information and belief.

BY: 

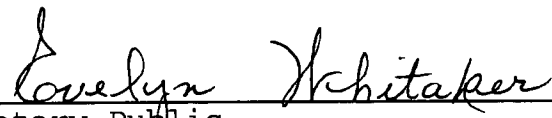
NAME: Harold E. Depriest

TITLE: President and Chief
Executive Officer

DATE: January 15, 1999

STATE OF TENNESSEE:
COUNTY OF HAMILTON:

Sworn to and subscribed before me this 15th day of January, 1999.


Notary Public

My commission expires: 3/9/99

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and exact copy of the within and foregoing pleading on behalf of the Electric Power Board of Chattanooga, via United States mail, first class postage prepared and properly addressed to the following:

Guy M. Hicks, General Counsel
BellSouth Communications, Inc.
333 Commerce Street
Suite 2101
Nashville, Tennessee 37201-3300

Val Sanford, Esquire
Gullett, Sanford, Robinson & Martin
P.O. Box 198888
Nashville, Tennessee 37219-8888

James P. Lamoureux, Esquire
AT&T Communications of the South Central States, Inc.
1200 Peachtree Street N.E.
Room 4060
Atlanta, Georgia 30309

Charles B. Welch, Jr., Esquire
Farris, Mathews, Gilman, Branan & Hellen, P.L.C.
2400 Nashville City Center
511 Union Street
Nashville, Tennessee 37219

Vance L. Broemel, Esquire
Assistant Attorney General
Consumer Advocate Division
Cordell Hull Building
Second Floor
425 Fifth Avenue, North
Nashville, Tennessee 37243-0500

Henry Walker, Esquire
Attorney for ACSI & NextLink
Boult, Cummings, Conners & Berry
P.O. Box 198062
Nashville, Tennessee 37219

Dana Shaffer, Esquire
NextLink Tennessee, LLC
105 Malloy Street, Suite 300
Nashville, Tennessee 37201

Jon E. Hastings, Esquire
Boult, Cummings, Conners & Berry
P. O. Box 198062
Nashville, Tennessee 37219

Michael R. Knauff
Tennessee Power Company
4612 Maria Street
Chattanooga, Tennessee 37411

This 18th day of January, 1999.



Strang, Fletcher, Carriger, Walker
Hodge & Smith, PLLC

BEFORE THE
TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE

IN RE:

| | | |
|-----------------------------|---|---------------------|
| APPLICATION OF ELECTRIC |) | |
| POWER BOARD OF CHATTANOOGA |) | |
| FOR A CERTIFICATE OF PUBLIC |) | Docket No. 97-07488 |
| CONVENIENCE AND NECESSITY |) | |
| TO PROVIDE INTRASTATE |) | |
| TELECOMMUNICATIONS SERVICES |) | |

SUPPLEMENTAL TESTIMONY OF HAROLD E. DEPRIEST,
PRESIDENT AND CHIEF EXECUTIVE OFFICER
OF
THE ELECTRIC POWER BOARD OF CHATTANOOGA

FILED ON BEHALF OF
THE ELECTRIC POWER BOARD OF CHATTANOOGA

January 15, 1999

1 Q. PLEASE STATE YOUR NAME, POSITION, AND BUSINESS ADDRESS.

2 A. My name is Harold E. DePriest, and I am the President and
3 Chief Executive Officer of the Electric Power Board of
4 Chattanooga ("Electric Power Board"). My business address is
5 P.O. Box 182255, Chattanooga, Tennessee 37422-7255.
6

7 Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE TENNESSEE REGULATORY
8 AUTHORITY?

9 A. Yes. On September 3, 1998, I submitted pre-filed testimony in
10 this proceeding on behalf of the Electric Power Board of
11 Chattanooga ("EPB"), and on October 13, 1998, I testified at
12 the hearing in this matter.
13

14 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

15 A. The purpose of my testimony is to supplement the testimony
16 that I previously furnished the Tennessee Regulatory Authority
17 in support of the Electric Power Board's Application for a
18 Certificate of Public Convenience and Necessity to provide
19 Intrastate Telecommunications Services. In my testimony, I
20 will (1) describe the status of the relationship between EPB
21 and Globe Telecommunications, (2) describe the relationship
22 between EPB and Mr. Robert W. Nyswaner, a self-employed
23 telecommunications consultant that EPB has retained, and (3)
24 show that Mr. Nyswaner replaces the managerial and technical
25 expertise that EPB previously contracted with Globe
26 Telecommunications to provide.
27

1 Q. PLEASE DESCRIBE THE STATUS OF THE RELATIONSHIP BETWEEN EPB AND
2 GLOBE TELECOMMUNICATIONS.

3 A. Section 15.03.A. of the Fiber Optics Network Development
4 Agreement between EPB and Globe Telecommunications, Inc., gave
5 Globe a right of early termination in the event that the
6 Authority did not grant EPB a certificate of convenience and
7 necessity on or before December 31, 1998. Preliminary
8 discussions with Globe around that time indicated that Globe
9 did not anticipate exercising its right of termination.
10 However, by letter dated January 6, 1999, Globe subsequently
11 gave notice of early termination. Globe withdrew its notice
12 of termination by letter dated January 11, 1999, in order to
13 allow EPB and Globe the opportunity to explore alternative
14 contract arrangements. Since then, EPB has determined that it
15 will not rely upon any anticipated relationship with Globe for
16 purposes of EPB's pending application for a certificate of
17 convenience and necessity, and by letter dated January 15,
18 1999, Globe gave final notice of termination of its contract
19 with EPB.

20
21 Q. HAS EPB MADE ANY ALTERNATIVE ARRANGEMENTS TO REPLACE THE
22 MANAGERIAL AND TECHNICAL RESPONSIBILITIES OF GLOBE?

23 A. Yes. In December of 1998, Mr. Robert W. Nyswaner left
24 employment with Globe Telecommunications. At that time, EPB
25 contacted Globe and was assured that Globe would furnish
26 another principal contact to work with EPB on the development
27 of its Telecommunications Division. At the same time, EPB

1 recognized that Mr. Nyswaner would be a good candidate to
2 become EPB's Vice President - Telecommunications, and we began
3 exploring those possibilities with him. Later in December
4 1998, EPB retained Mr. Nyswaner as a consultant for EPB's
5 Telecommunications Division in anticipation he would become
6 Vice President - Telecommunications subject to 1) approval by
7 the EPB Board of Directors and 2) EPB receiving its CLEC
8 certification. Until those conditions are satisfied, EPB will
9 continue to retain Mr. Nyswaner as a consultant.

10
11 Q. WILL MR. NYSWANER'S MANAGERIAL AND TECHNICAL EXPERTISE BENEFIT
12 THE TELECOMMUNICATIONS DIVISION OF EPB?

13 A. We definitely think so. Since this proceeding began, the
14 Electric Power Board has received numerous applications for
15 this executive position. However, none of the applicants have
16 demonstrated the varied background of Mr. Nyswaner or have had
17 as much "hands-on" CLEC experience. Mr. Nyswaner has directed
18 the establishment of a successful facility-based CLEC
19 operation in Georgia in 1997 and 1998 and is well-versed in
20 the complexities of this business. His CLEC experience,
21 coupled with his general manager capabilities, will greatly
22 enhance our efforts to bring a facilities-based CLEC to
23 Chattanooga for several reasons. Mr. Nyswaner's knowledge of
24 the business will aid in the recruitment of the qualified
25 personnel that we plan to add, and his technical know-how will
26 facilitate implementation of necessary operating systems and
27 the important interconnection processes with BellSouth. He

1 previously implemented billing systems and directed all
2 aspects of a CLEC operation from its initial construction to
3 its day-to-day management.

4
5 Q. PLEASE DESCRIBE ANY SIGNIFICANT CHANGES TO THE
6 TELECOMMUNICATIONS DIVISION FOLLOWING THE TERMINATION OF THE
7 GLOBE CONTRACT.

8 A. As I have already indicated, we believe that Mr. Nyswaner will
9 bring the same or a greater level of managerial and technical
10 expertise as Globe would have furnished to EPB under the terms
11 of its contract. The two other significant areas involve the
12 provision of switching and billing services. EPB now plans to
13 purchase or lease its own switch, which will not materially
14 impair EPB's current business plan under the authorized inter-
15 division loan of \$10 million. EPB, with the assistance of Mr.
16 Nyswaner, is also now evaluating billing system options,
17 including the possibility of installing its own system.

18
19 Q. DOES EPB HAVE THE NECESSARY MANAGERIAL AND TECHNICAL ABILITIES
20 TO PROVIDE THE APPLIED-FOR SERVICES?

21 A. Yes. It has always been the position of EPB that EPB, as the
22 nation's 15th largest municipal electric system with
23 approximately 153,000 customers, has the necessary managerial
24 and technical expertise on its own to provide a facilities-
25 based service. Our current and anticipated future
26 relationship with Mr. Nyswaner supplements and enhances that

1 existing expertise, as does our standing relationship with
2 Competitive Communications Group.

3
4 Q. PLEASE SUMMARIZE YOUR TESTIMONY.

5 A. The termination of the contract between EPB and Globe
6 Telecommunications does not impair EPB's managerial,
7 technical, or financial abilities to provide the applied-for
8 services. EPB has retained Mr. Robert W. Nyswaner as a
9 consultant and as stated previously will employ Mr. Nyswaner
10 as the Vice President - Telecommunications over the
11 Telecommunications Division. Mr. Nyswaner's extensive
12 experience in the telecommunications industry and, in
13 particular, with start-up CLECs, supplements and enhances
14 EPB's managerial and technical abilities to provide the
15 applied-for services, and his expertise in these areas
16 replaces the expertise that EPB contracted with Globe
17 Telecommunications to provide. Should this Authority allow
18 the Electric Power Board entry into the telecommunications
19 market, our goal will be to provide our communication
20 customers with a greater choice of services, reduced rates,
21 and improved levels of service.

22
23 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

24 A. Yes.

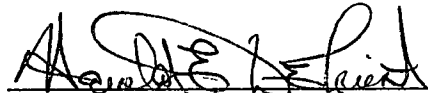
25 91986

AFFIDAVIT


STATE OF TENNESSEE:
COUNTY OF HAMILTON:

BEFORE ME, the undersigned authority, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared Harold E. DePriest, President and CEO of the Electric Power Board of Chattanooga, who being by me first duly sworn, deposed and said that:

He is appearing as a witness before the Tennessee Regulatory Authority in Docket No. 97-07488 on behalf of the Electric Power Board of Chattanooga and, if present before the Authority and duly sworn, his testimony would be as set forth in the annexed testimony consisting of five pages.


HAROLD E. DePRIEST

Sworn to and subscribed before me this 15th day of
January, 1999.


Notary Public

My commission expires: 3/9/99

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and exact copy of the within and foregoing pleading on behalf of the Electric Power Board of Chattanooga, via United States mail, first class postage prepared and properly addressed to the following:

Guy M. Hicks, General Counsel
BellSouth Communications, Inc.
333 Commerce Street
Suite 2101
Nashville, Tennessee 37201-3300

Val Sanford, Esquire
Gullett, Sanford, Robinson & Martin
P.O. Box 198888
Nashville, Tennessee 37219-8888

James P. Lamoureux, Esquire
AT&T Communications of the South Central States, Inc.
1200 Peachtree Street N.E.
Room 4060
Atlanta, Georgia 30309

Charles B. Welch, Jr., Esquire
Farris, Mathews, Gilman, Branan & Hellen, P.L.C.
2400 Nashville City Center
511 Union Street
Nashville, Tennessee 37219

Vance L. Broemel, Esquire
Assistant Attorney General
Consumer Advocate Division
Cordell Hull Building
Second Floor
425 Fifth Avenue, North
Nashville, Tennessee 37243-0500

Henry Walker, Esquire
Attorney for ACSI & NextLink
Boult, Cummings, Conners & Berry
P.O. Box 198062
Nashville, Tennessee 37219

Dana Shaffer, Esquire
NextLink Tennessee, LLC
105 Malloy Street, Suite 300
Nashville, Tennessee 37201

Jon E. Hastings, Esquire
Boult, Cummings, Conners & Berry
P. O. Box 198062
Nashville, Tennessee 37219

Michael R. Knauff
Tennessee Power Company
4612 Maria Street
Chattanooga, Tennessee 37411

This 18th day of January, 1999.



Strang, Fletcher, Carriger, Walker
Hodge & Smith, PLLC

BEFORE THE
TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE

IN RE:

| | | |
|-----------------------------|---|---------------------|
| APPLICATION OF ELECTRIC |) | |
| POWER BOARD OF CHATTANOOGA |) | |
| FOR A CERTIFICATE OF PUBLIC |) | Docket No. 97-07488 |
| CONVENIENCE AND NECESSITY |) | |
| TO PROVIDE INTRASTATE |) | |
| TELECOMMUNICATIONS SERVICES |) | |

SUPPLEMENTAL TESTIMONY OF ROBERT W. NYSWANER
FILED ON BEHALF OF
THE ELECTRIC POWER BOARD OF CHATTANOOGA, TENNESSEE

January 15, 1999

1 Q. PLEASE STATE YOUR NAME AND ADDRESS.

2 A. My name is Robert W. Nyswaner. My address is 3338 Piedmont
3 Lake Road; Pine Mountain, Georgia.

4
5 Q. ARE YOU THE SAME ROBERT W. NYSWANER WHO PREVIOUSLY TESTIFIED
6 BEFORE THE TENNESSEE REGULATORY AUTHORITY IN THIS PROCEDURE?

7 A. Yes. On September 3, 1998, I submitted pre-filed testimony in
8 this case on behalf of the Electric Power Board of Chattanooga
9 ("EPB") in support of its application, and on October 13,
10 1998, I testified at the hearing in this matter.

11
12 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

13 A. The purpose of my testimony is to supplement the testimony
14 that I previously furnished the Tennessee Regulatory Authority
15 in support of the Electric Power Board's Application for a
16 Certificate of Public Convenience and Necessity to provide
17 Intrastate Telecommunications Services. In my testimony, I
18 will (1) describe my managerial and technical expertise; (2)
19 describe my relationship with EPB; (3) describe my preliminary
20 activities in the launch of EPB's Telecommunications Division
21 operations; and (4) show that I will directly provide or
22 arrange for those managerial and technical capabilities that
23 EPB previously contracted with Globe Telecommunications, Inc.
24 to provide.

25

1 Q. PLEASE SUMMARIZE YOUR BUSINESS EXPERIENCE.

2 A. My business experience gives me substantial expertise in
3 managerial and technical matters necessary for a successful
4 launch of a facilities-based competitive local exchange
5 carrier ("CLEC"). I have over twenty-five years of
6 telecommunications experience, and since 1982 I have held
7 numerous senior management positions. I was responsible for
8 all "Divestiture" activities and Contel's deregulated markets
9 and services resulting from the AT&T divestiture. This
10 included Contel's reorganization and operational changes
11 necessary to effect an orderly transition when much of the
12 interstate and state markets were deregulated. Since 1985,
13 then as the CFO and Senior Vice-President of Contel's
14 Business Development-Telephone Operations, a significant focus
15 was the development of new products and businesses. I was
16 directly responsible for the start-up and business development
17 for Contel's rural cellular markets (RSAs) as well as new
18 wireline telephone services. Functional areas of
19 responsibility reporting directly to me included regulatory,
20 business planning and marketing, customer operations,
21 engineering, information services and accounting and finance.

22
23 Q. DO YOU HAVE ANY SPECIFIC CLEC EXPERIENCE?

24 A. Yes I do. In addition to being the Chief Financial Officer of
25 Globe Telecommunications, Inc., I was also the Chief Financial
26 Officer for Interstate Telephone. As the Chief Financial

1 Officer for Interstate Telephone, I was also the General
2 Manager for its CLEC operations. In this capacity, I
3 developed the business and operating plans for a start-up
4 facilities-based CLEC for ten communities which are part of
5 the Atlanta, Georgia metropolitan area. I was directly
6 responsible for all aspects of launching the CLEC business,
7 including its day-to-day management. This included testimony
8 before the Georgia Public Service Commission, the development
9 of marketing and sales plans, the implementation of a billing
10 and provisioning platform, the submission of all state and
11 Federal tariffs, switch procurement and installation, network
12 development and build-out, product evaluations, vendor
13 selection and contract negotiations and development, selection
14 of interexchange carriers (IXCs), and all interconnection
15 arrangements with BellSouth. In this capacity, I was
16 responsible for the successful implementation of all of the
17 business processes. This included the establishment of
18 customer care processes, 7 x 24 network monitoring, technology
19 deployment, customer premise equipment offerings, customer
20 surveys, and other customer care matters. In addition, the
21 Interstate Telephone market was one of the first in the
22 country to implement permanent local number portability
23 service in December of 1998.

24
25 As the CFO for Interstate, I also implemented billing and
26 switching service arrangements for CLEC operations in

1 Montgomery, Alabama and Columbus, Georgia and developed an
2 interexchange and local network transport service arrangement
3 for toll and operator services for these markets.
4

5 Q. PLEASE EXPLAIN YOUR CURRENT RELATIONSHIP WITH EPB.

6 A. I am currently consulting full time for EPB and hold a
7 conditional offer of employment with EPB to be its Vice-
8 President - Telecommunications subject to 1) approval by the
9 EPB Board of Directors and 2) EPB receiving its CLEC
10 certification.
11

12 Q. WILL YOU CONTINUE AS A CONSULTANT FOR EPB UNTIL THE CONDITIONS
13 FOR YOUR EMPLOYMENT ARE SATISFIED?

14 A. Yes, and until that time, as a consultant, I will be
15 performing the functions and responsibilities that I will
16 later assume as Vice President - Telecommunications.
17

18 Q. PLEASE EXPLAIN YOUR RESPONSIBILITIES AS VICE PRESIDENT -
19 TELECOMMUNICATIONS.

20 A. In this capacity, I will be responsible for the successful
21 build-out and development of EPB's facilities-based
22 telecommunications system. To accomplish this goal I will
23 utilize my twenty-five years of telecommunications experience,
24 including that developed most recently in Georgia and Alabama
25 competitive markets. These responsibilities can be divided
26 into four broad categories (1) program development and

1 execution; (2) organization development; (3) technology and
2 system deployment; and (4) administration.

3
4 Q. PLEASE DISCUSS YOUR INVOLVEMENT IN THE TELECOMMUNICATIONS
5 DIVISION'S PROGRAM DEVELOPMENT.

6 A. As the Vice President - Telecommunications, overall program
7 development and execution would be my mission for this
8 business start-up. This requires the overall management of
9 all disciplines and the integration of all employee and vendor
10 efforts into one cohesive unit. Network build-out, switch
11 installation, tariff development, customer awareness, Bell
12 interconnection, system development, billing, trouble
13 reporting and diagnostics, service installation, regulatory
14 compliance, accounting and finance requirements, and systems
15 testing are examples of the specific functional efforts
16 required for this business launch. My twenty-five years of
17 experience provide me with working knowledge of most aspects
18 of the telephone operations and I have directly supervised
19 finance and accounting, customer services, regulatory and
20 tariff operations, engineering, information services, billing
21 operations, access services, in addition to other departments.
22 I directed the turn-key development of a successful CLEC
23 operation in Georgia in 1998. This operation provided a full
24 array of business and residential telecommunications products.
25 This initiative was very similar to EPB's start-up plan in
26 that it was a facilities-based operation requiring switch

1 implementation, a fiber build out and implementation of a
2 billing and provisioning platform. During my tenure as
3 General Manager, we experienced few service interruptions, saw
4 almost zero customer churn and had no complaints with the
5 Georgia Public Service Commission. In sum, I believe my broad
6 background and current experience in the CLEC business
7 provides the management and technical leadership to provide
8 for a successful telecommunications launch in Chattanooga.
9

10 Q. PLEASE DISCUSS YOUR INVOLVEMENT IN THE ORGANIZATIONAL
11 DEVELOPMENT OF THE TELECOMMUNICATIONS DIVISION.

12 A. Ronald N. Fugatt, in his September 3, 1998, Revised Direct
13 Testimony provides Exhibit RNF-1, the EPB Telecommunications
14 Division Chart, and in his January 19, 1999, Supplemental
15 Testimony, provides Exhibit RNF-2, the updated EPB
16 Telecommunications Division Organizational Chart, both showing
17 the position of Vice President over the Telecommunications
18 Division. As Vice President - Telecommunications, it will be
19 incumbent on me to develop this organization through effective
20 and timely recruiting practices. These efforts will begin
21 immediately upon receipt of the appropriate TRA approvals.
22 The EPB already has received numerous unsolicited resumes and
23 expressions of interest in employment with EPB. We would hire
24 the requisite operations and technical support staff as
25 necessary to facilitate the network build-out, switch
26 installation, and interconnection facility coordination. I

1 anticipate that these positions would require five to ten
2 years of technical experience in networking and switching
3 operations, and I anticipate that it will take two to three
4 months to fill the key positions.

5
6 Q. WHAT ARE THE BENEFITS OF THE CHANGES TO THE TELECOMMUNICATIONS
7 DIVISION ORGANIZATION AS SHOWN ON THE REVISED CHART?

8 A. A primary benefit is that EPB will not place reliance on an
9 outside contractor to provide switching services. Instead,
10 EPB intends to purchase or lease its own switch at the very
11 beginning. This means that all of the operations shown in
12 Exhibit RNF-1 as being under Globe will now be totally under
13 the control of EPB as shown on the updated Exhibit RNF-2. EPB
14 will also have direct control over other aspects of the
15 telecommunications operations that were previously assigned to
16 Globe Telecommunications. For example, training and certain
17 billing service functions will be provided internally or from
18 vendors that EPB retains.

19
20 Q. PLEASE DISCUSS TECHNOLOGY AND SYSTEM DEPLOYMENT FOR THE
21 TELECOMMUNICATIONS DIVISION.

22 A. This can be broken down into two areas: 1) the installation of
23 the telecommunications network and 2) the acquisition and
24 implementation of the operation and customer processes. As a
25 result of its lengthy negotiations with Globe and other
26 prospective vendors, EPB already has developed a detailed

1 network and switching specification which will form the basis
2 to begin the network construction once TRA approval is
3 received. Therefore, EPB stands ready to select the switch
4 vendor after receiving a certificate of convenience and
5 necessity. The switch installation will be provided by the
6 manufacturer as will the requisite on-site training and
7 testing. We expect that this process will take from four to
8 six months depending on manufacturer backlog and delivery
9 schedules. Additionally, the switch vendors will facilitate
10 locating switch translation engineers to be hired on an
11 interim basis or on a permanent basis. EPB's internal
12 recruitment of qualified switch translation engineers will be
13 augmented by the switching vendor's internal resources, such
14 as training and switching personnel, in the initial stages of
15 operation. This provides the EPB with ample time to recruit
16 and locate personnel.

17
18 Concurrent with the switch installation we will be developing
19 and implementing practices for customer contact, billing, line
20 treatment, provisioning, Bell interfaces and all related
21 operating practices. We will accomplish these efforts via a
22 combination of vendor acquisition and internal development.
23 There are numerous packages available which we will convert to
24 our own use. We plan to procure billing services initially
25 and vendor selection is assured through the request for

1 proposal process. These practices and procedures will be
2 operational within six months from start.

3
4 Assuming an early grant of a Certificate, we should be in a
5 position to begin system testing in August with a launch date
6 in the fourth quarter of 1999.

7
8 Q. PLEASE DISCUSS THE ADMINISTRATIVE PROCESSES NECESSARY FOR THE
9 TELECOMMUNICATIONS DIVISION.

10 A. The administrative processes embody various critical elements
11 essential to a successful launch. First, and probably most
12 important, is an effective Bell interconnection relationship.
13 This includes the installation of the local interconnection
14 trunks necessary to provide local calling to the ongoing joint
15 customer interfaces required to service the telecommunications
16 customers. In my previous capacity, I negotiated a nine-state
17 Interconnection Agreement with BellSouth and worked directly
18 with BellSouth to implement one of the first facility based
19 CLEC joint account teams. I will bring this acquired
20 knowledge to the EPB which should facilitate the timely
21 implementation of vital interconnection interface processes.
22 Other critical functions include the selection and negotiation
23 of operator and toll wholesale service providers, obtaining
24 local dialing prefixes, carrier identification codes,
25 placement in the Local Exchange Routing Guide, pricing and
26 tariff development, establishment of access tariffs and the

1 development of operating and internal controls. I have first
2 hand experience in these functional areas which should reduce
3 some start-up time and enhance the telecommunications service
4 launch.

5
6 Q. PLEASE DESCRIBE THE IMPACT OF THE TERMINATION OF THE FIBER
7 OPTICS NETWORK DEVELOPMENT AGREEMENT BETWEEN EPB AND GLOBE
8 TELECOMMUNICATIONS.

9 A. In my view, the development is beneficial to EPB. Through my
10 consulting and anticipated employment relationship with EPB,
11 EPB now has additional managerial and technical expertise to
12 supplement its already impressive utility operations and the
13 managerial and technical abilities that EPB already has. My
14 experience and expertise will empower EPB to directly provide
15 or arrange for those switching, customer support, billing and
16 business development services that EPB previously contracted
17 with Globe to provide. In addition, EPB should benefit from
18 having other technical and management employees and
19 contractors reporting directly to EPB.

20
21 Q. WHEN DO YOU ANTICIPATE EPB OFFERING TELECOMMUNICATIONS
22 SERVICES IN CHATTANOOGA?

23 A. Again, that will depend on the date the EPB receives its
24 Certificate, but we are hoping to be able to begin offering
25 service by the fourth quarter of 1999.

1 Q. PLEASE SUMMARIZE YOUR TESTIMONY.

2 A. My current consulting relationship with EPB and my anticipated
3 employment relationship with EPB supplements the existing
4 managerial and technical abilities of the Electric Power Board
5 to provide the applied-for services. This relationship at
6 least replaces the managerial and technical expertise that EPB
7 previously contracted with Globe Telecommunications to
8 provide, and, in my view, is more beneficial to EPB, because
9 this expertise is directly available to EPB. Should this
10 Authority allow the Electric Power Board entry into the
11 telecommunications market, I will assist the Electric Power
12 Board in providing its telecommunications customers with a
13 greater choice of services, reduced rates, and improved levels
14 of service.

15
16 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

17 A. Yes.

18 91962

AFFIDAVIT

STATE OF TENNESSEE:
COUNTY OF HAMILTON:

BEFORE ME, the undersigned authority, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared Robert W. Nyswaner, who being by me first duly sworn, deposed and said that:

He is appearing as a witness before the Tennessee Regulatory Authority in Docket No. 97-07488 on behalf of the Electric Power Board of Chattanooga and, if present before the Authority and duly sworn, his testimony would be as set forth in the annexed testimony consisting of eleven (11) pages.

Robert W. Nyswaner
ROBERT W. NYSWANER

Sworn to and subscribed before me this 15th day of
January, 1999.

Paul D. McLaughlin
Notary Public
My commission expires: 9-8-2001

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and exact copy of the within and foregoing pleading on behalf of the Electric Power Board of Chattanooga, via United States mail, first class postage prepared and properly addressed to the following:

Guy M. Hicks, General Counsel
BellSouth Communications, Inc.
333 Commerce Street
Suite 2101
Nashville, Tennessee 37201-3300

Val Sanford, Esq.
Gullett, Sanford, Robinson & Martin
P.O. Box 198888
Nashville, Tennessee 37219-8888

James P. Lamoureux, Esq.
AT&T Communications of the
South Central States, Inc.
1200 Peachtree Street N.E.
Room 4060
Atlanta, Georgia 30309

Charles B. Welch, Jr., Esq.
Farris, Mathews, Gilman, Branan
& Hellen, P.L.C.
2400 Nashville City Center
511 Union Street
Nashville, Tennessee 37219

Vance L. Broemel
Assistant Attorney General
Consumer Advocate Division
Cordell Hull Building
Second Floor
425 Fifth Avenue, North
Nashville, Tennessee 37243-0500


Henry Walker, Esq.
Attorney for ACSI & NextLink
Boult, Cummings, Conners & Berry
P.O. Box 198062
Nashville, Tennessee 37219

Dana Shaffer, Esq.
NextLink Tennessee, LLC
105 Malloy Street, Suite 300
Nashville, Tennessee 37201

Jon E. Hastings, Esq.
Boult, Cummings, Conners & Berry
P. O. Box 198062
Nashville, Tennessee 37219

Michael R. Knauff
Tennessee Power Company
4612 Maria Street
Chattanooga, Tennessee 37411

This 18th day of January, 1999.



Strang, Fletcher, Garriger, Walker
Hodge & Smith, PLLC

BEFORE THE
TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE

IN RE:

| | | |
|-----------------------------|---|---------------------|
| APPLICATION OF ELECTRIC |) | |
| POWER BOARD OF CHATTANOOGA |) | |
| FOR A CERTIFICATE OF PUBLIC |) | Docket No. 97-07488 |
| CONVENIENCE AND NECESSITY |) | |
| TO PROVIDE INTRASTATE |) | |
| TELECOMMUNICATIONS SERVICES |) | |

SUPPLEMENTAL TESTIMONY OF RONALD N. FUGATT,
EXECUTIVE VICE PRESIDENT
OF
THE ELECTRIC POWER BOARD OF CHATTANOOGA

FILED ON BEHALF OF
THE ELECTRIC POWER BOARD OF CHATTANOOGA

January 15, 1999

1 Q. PLEASE STATE YOUR NAME, POSITION, AND BUSINESS ADDRESS.

2 A. My name is Ronald N. Fugatt, and I am the Executive Vice
3 President of the Electric Power Board of Chattanooga
4 ("Electric Power Board"). My business address is P.O. Box
5 182255, Chattanooga, Tennessee 37422-7255.

6
7 Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE TENNESSEE REGULATORY
8 AUTHORITY?

9 A. Yes. On September 3, 1998, I submitted Revised Direct
10 Testimony in this case on behalf of the Electric Power Board
11 of Chattanooga ("EPB"), and on October 13, 1998, I testified
12 at the hearing in this matter.

13
14 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

15 A. The purpose of my testimony is to supplement the testimony
16 that I previously furnished the Tennessee Regulatory Authority
17 in support of the Electric Power Board's Application for a
18 Certificate of Public Convenience and Necessity to provide
19 Intrastate Telecommunications Services. In this testimony, I
20 will (1) describe the change in the Telecommunications
21 Division's organizational structure following Globe Telecom-
22 munications' decision to terminate the Fiber Optics Network
23 Development Agreement with EPB, and (2) show that Mr. Robert
24 W. Nyswaner will supplement EPB's existing abilities to
25 provide the applied-for services and will replace the exper-
26 tise that EPB previously contracted with Globe Telecommunica-
27 tions to provide.

1 Q. PLEASE DESCRIBE THE ORGANIZATIONAL CHANGES IN THE TELECOMMUNI-
2 CATIONS DIVISION.

3 A. Attached as Exhibit RNF-2 to this testimony is a recently
4 updated organizational chart for the Telecommunications
5 Division. As Mr. Robert W. Nyswaner also indicates in his
6 supplemental testimony filed in this matter, all of the
7 operations shown in Exhibit RNF-1 to my September 3, 1998 pre-
8 filed testimony as being under Globe will now be totally under
9 the control of EPB, as shown in Exhibit RNF-2.

10
11 Q. WILL EPB RELY UPON ANY OTHER ASSISTANCE TO REPLACE THE
12 RESPONSIBILITIES OF GLOBE TELECOMMUNICATIONS?

13 A. Yes. As Mr. Harold E. DePriest and Mr. Robert W. Nyswaner
14 indicate in their respective supplemental testimonies, Mr.
15 Robert W. Nyswaner will provide expertise in the areas of
16 switch procurement and provisioning, billing, customer care
17 and other technical and managerial assistance to replace the
18 responsibilities of Globe in those areas. Because Mr.
19 Nyswaner will devote his full time to EPB's Telecommunications
20 Division, EPB will have more expertise available to it than it
21 previously did under its contract with Globe.

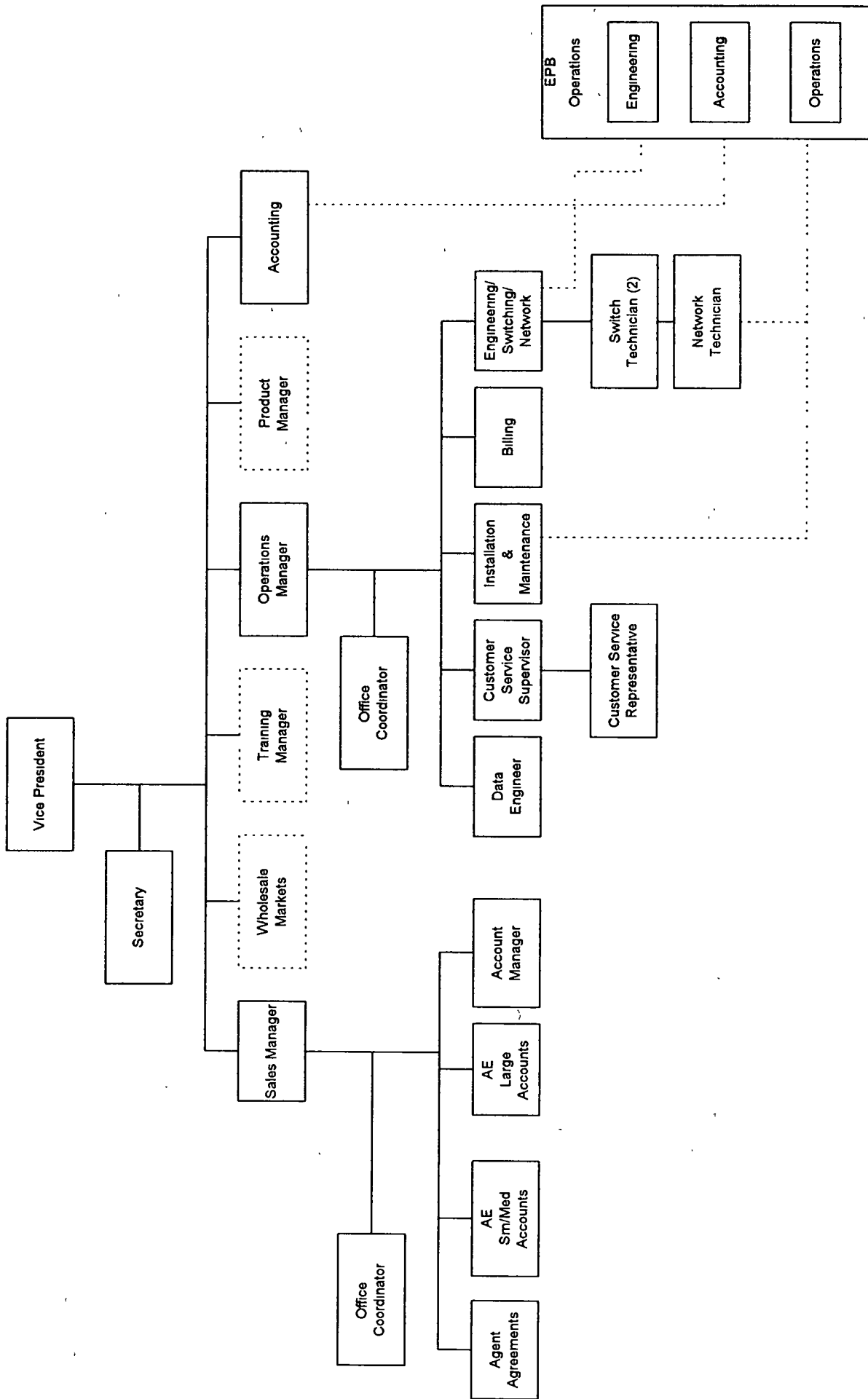
22
23 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

24 A. Yes.

92012

EXHIBIT RNF-2

Electric Power Board Telecommunication Division Chart



AFFIDAVIT

STATE OF TENNESSEE:
COUNTY OF HAMILTON:

BEFORE ME, the undersigned authority, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared Ronald N. Fugatt, Executive Vice President of the Electric Power Board of Chattanooga, who being by me first duly sworn, deposed and said that:

He is appearing as a witness before the Tennessee Regulatory Authority in Docket No. 97-07488 on behalf of the Electric Power Board of Chattanooga and, if present before the Authority and duly sworn, his testimony would be as set forth in the annexed testimony consisting of 2 pages and 1 exhibit.



RONALD N. FUGATT

Sworn to and subscribed before me this 18th day of
January, 1999.



Notary Public

My commission expires: 9-8-2001

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and exact copy of the within and foregoing pleading on behalf of the Electric Power Board of Chattanooga, via United States mail, first class postage prepared and properly addressed to the following:

Guy M. Hicks, General Counsel
BellSouth Communications, Inc.
333 Commerce Street
Suite 2101
Nashville, Tennessee 37201-3300

Val Sanford, Esquire
Gullett, Sanford, Robinson & Martin
P.O. Box 198888
Nashville, Tennessee 37219-8888

James P. Lamoureux, Esquire
AT&T Communications of the South Central States, Inc.
1200 Peachtree Street N.E.
Room 4060
Atlanta, Georgia 30309

Charles B. Welch, Jr., Esquire
Farris, Mathews, Gilman, Branan & Hellen, P.L.C.
2400 Nashville City Center
511 Union Street
Nashville, Tennessee 37219

Vance L. Broemel, Esquire
Assistant Attorney General
Consumer Advocate Division
Cordell Hull Building
Second Floor
425 Fifth Avenue, North
Nashville, Tennessee 37243-0500


Henry Walker, Esquire
Attorney for ACSI & NextLink
Boult, Cummings, Conners & Berry
P.O. Box 198062
Nashville, Tennessee 37219

Dana Shaffer, Esquire
NextLink Tennessee, 1LLC
105 Malloy Street, Suite 300
Nashville, Tennessee 37201

Jon E. Hastings, Esquire
Boult, Cummings, Conners & Berry
P.O. Box 198062
Nashville, Tennessee 37219

Michael R. Knauff
Tennessee Power Company
4612 Maria Street
Chattanooga, Tennessee 37411

This 18th day of January, 1999.



Strang, Fletcher, Carriger, Walker
Hodge & Smith, PLLC

92012